



Skyview Ridge Subdivision 1st Filing Residential Land Auction Frequently Asked Questions

What are Trust lands? By the Enabling Act approved February 22, 1889, the Congress of the United States granted to the State of Montana, for common school support, sections sixteen and thirty-six in every township within the state. Some of these sections had been homesteaded, some were within the boundaries of Indian reservations, and yet others had been otherwise disposed of before passage of the Enabling Act. To make up for this loss, and in lieu thereof, other lands were selected by the State of Montana. The Trust land that contains Skyview Ridge Subdivision is held in trust for the benefit of Common Schools (K-12 education).

Why is the land being sold at auction? The Enabling Act of 1889 and §77-2-321, Montana Code Annotated, require that any Trust land that is sold must be sold at a public oral auction. The Montana Board of Land Commissioners (Land Board) has directed the DNRC to obtain as many entitlements as possible on developable land and then to sell residential lands at auction and retain commercial lands for ground lease.

How is the auction structured? The Land Board has set a minimum bid for the auction of \$955,000 which was the appraised value of the property. The property will be sold at a public oral auction which will allow for competitive bidding and the property will be sold to the highest qualified bidder.

Will the property be sold at an auction? Yes, it will be sold at a public oral auction, as required by Montana statute. You or a legally authorized representative must be present to bid. In addition, an executed Offer to Purchase and bid deposit must be received by the DNRC no later than 5 p.m. (Mountain Time) on Thursday, March 16, 2017 in order to participate in the auction on April 5, 2017.

What is the time and location of the auction? The auction will be held at 11 a.m. on Tuesday, April 5, 2017 at the DNRC Southern Land Office which is located at 1371 Rimtop Drive, Billings, MT 59105.

Can I bid on just one of the lots or blocks being auctioned? No. The auction is structured such that any bidder will be bidding on all of the residential lots and blocks included in the sale notice, which will be sold as one sale unit.

Who can bid? A person wishing to bid at the auction must submit an executed Offer to Purchase and bid deposit no later than 5 p.m. (Mountain Time) on Thursday, March 16, 2017.

What happens with my bid deposit? The check will get cashed upon receipt and no interest will be earned. Unsuccessful bidders will receive refunds within 15 business days after the auction.

What happens if the high bidder fails to consummate the sale? If the highest bidder fails to consummate the sale for any reason the bidder forfeits the bid deposit and processing costs. The department may then offer the state trust land sale unit to the next highest bidder at the final sale price.

Is the land banking sale subject to Land Board approval? Yes, the Land Board must give final approval of the sale after the auction.

Is any infrastructure required to be immediately installed? There is presently a Restriction on Conveyance held by the City of Billings which prohibits the State from transferring property unless there is private contract and funding guarantees in place to construct the required infrastructure on the residential lots. The purchaser will be required to have a guarantee or contract in place prior to closing to allow the Restriction on Conveyance to be lifted by the City.

Are there currently any improvements on the property? There is presently a grazing lease within a portion of the sale area and the grazing lessee owns the exterior fences within the lease. The successful purchaser of the state trust land shall reimburse the state grazing lessee for the reasonable value of those improvements impacted by the sale.

Does the sale also include the mineral estate? Per §77-2-304, Montana Code Annotated, the State retains ownership of the mineral estate and it is not included in the land banking auction.

Are there closing or transaction costs? Closing costs are currently estimated to be approximately \$250. This includes such items as: legal advertisements, recording fees, water rights transfer fees, and indirect cost administrative fee.

Is there a Finders Fee available? Yes, a Finders Fee of \$10,000 is available if the Finders Fee Agreement has been properly executed and the Real Estate Agent or Broker brings the highest bidder to the auction. The Finders Fee Agreement can be found on the sale website.

Are there other relevant documents related to the sale? The DNRC has posted documents that may be of interest to potential bidders on the following website: <http://dnrc.mt.gov/trust/SkyViewRidge.asp> This information includes copies of documents related to the subdivision approval and requirements from the City of Billings along with documents that will be used in the auction process. The DNRC encourages all potential bidders to read through these documents and conduct their own due diligence of the site, as the documents on the website are not intended to be a comprehensive compilation. Ultimately, the property is sold "as is".

Is there a website for this auction? Yes, please visit: <http://dnrc.mt.gov/trust/SkyViewRidge.asp> for more information on the sale and also to view some of the documents mentioned above.

Who can I contact if I have additional questions regarding this auction or the property? Please contact Jeff Bollman at the DNRC Southern Land Office in Billings, MT. He can be reached at jbollman@mt.gov or 406.247.4404 (office) or 406.670.4642 (cell).